

# Successful Army Contracting— At the Center of Iraq Reconstruction and All Things Army

Meg Williams and Michael I. Roddin

**Army AL&T Magazine interviewed Claude M. Bolton Jr., Army Acquisition Executive (AAE)/Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASAALT), regarding the history, importance and success of Army contracting as it relates to both Afghanistan and Iraq as well as the overall war effort. Bolton highlighted the accelerated and streamlined contractual process and the changing roles of Army contracting as they have contributed to more stabilized regions and the promotion of local economies in areas of war.**

**AL&T:** The Army is the Executive Agent for DOD's reconstruction and relief missions in Iraq and Afghanistan. In 2003, the Army worked with the Office of Reconstruction and Humanitarian Assistance (ORHA), and then responsibility for reconstruction transitioned to the Coalition Provisional Authority (CPA). Upon the stand-down of the CPA, and establishment of the U.S. Embassy for Iraq, the Army began working with the Iraq Reconstruction Management Office. In October 2004, the U.S. Central Command (CENTCOM) designated the Army as the lead component for contracting for *Operations Enduring* and *Iraqi Freedom* in the Combined Joint Operations Area, Iraq and Afghanistan, and the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) was established. What is the Army's current role in supporting reconstruction efforts and how are we doing?

**Bolton:** Let me talk about the contracting part of this question and give you a little bit of history on this. This office got involved in May 2003 when we went into Baghdad and we sent over COL Donald R. Yates from the Army War College Carlisle at Barracks. We directed him to go over to Iraq to see what folks needed. We already had contingency contracting officers [CCOs] over there. Their function normally is to get there ahead of the main body — although this was not possible in this case, because Saddam Hussein, for some reason, would not allow them in

town before the 3rd Infantry Division [3ID] came in. Normally they go in and work with local vendors to obtain water before the rest of the combatants show up and get things set up for the camp. This has always been the case. COL Yates sent back a report that said there was a need for contracting officers and managers. So we sent COL Tony Bell over there. He was supposed to be there for two months. He was there 9 or 10 months to support the commanders using Logistics Civil Augmentation Program [LOGCAP]-type contracts and to implement local contracts. There's nothing faster. Now we have an ambassador special envoy, L. Paul Bremer III, and we are looking at a reconstruction project and they need help. We have 3ID with support from CENTCOM and let's look at what we're doing to help the State Department and others.

We continued to help them through the ORHA and the CPA. In December 2003, the Deputy Secretary of Defense asked us to provide direct support to the CPA, and we set up

what became known as the PCO — the Project Contracting Office. CPA eventually went away to form another agency that worked for the State Department and the PCO continued. Then we sent over BG Stephen M. Seay, who at the time was the Program Executive Officer [PEO] for Simulation, Training and Instrumentation, and then we populated the PCO with program managers and contract managers. Our principal focus was on reconstruction efforts. We have initiated more than 3,000 contracts and, as of today, we've completed more than 2,500 of those projects valued at more than \$12 billion. To date, we've obligated \$8-10 billion and probably expended at least half of all that. These construction projects include: restoration of electrical services and power generation;

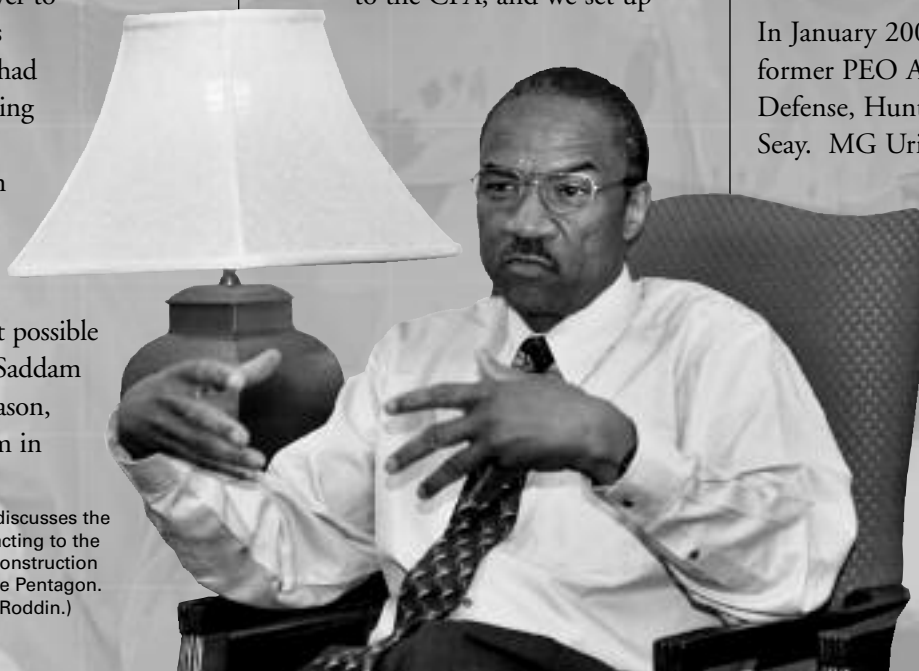
water treatment and pumping facilities; sewage treatment and processing plants; health clinics and hospital refurbishment; roads and bridges; and schools. Best of all, these construction projects have employed Iraqi citizens.

In January 2005, MG John M. Urias, former PEO Air, Space and Missile Defense, Huntsville, AL, replaced BG Seay. MG Urias looked at what was

going on and said, "We're doing well, but we need to make sure this is all coordinated in Afghanistan and Iraq." He then initiated the joint concept of contracting and so we made it a command about a year ago. Now Air Force MG Darryl A. Scott, former Defense

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AAE Claude M. Bolton Jr. discusses the importance of Army contracting to the ongoing war effort and reconstruction of Iraq from his office at the Pentagon. (U.S. Army photo by Mike Roddin.)



Contract Management Agency Director, is the JCC-I/A Commanding General [CG], and has taken the organization to the next level.

If you were to visit the JCC-I/A headquarters, you will find that the reconstruction of Iraq office in the PCO has about 30 folks, including military, government civilians, contracting officers, managers and local contracting support. Then you have the JCC-I/A element that we're in the process of merging with the U.S. Army Corps of Engineers [USACE] Gulf Region Division [GRD].

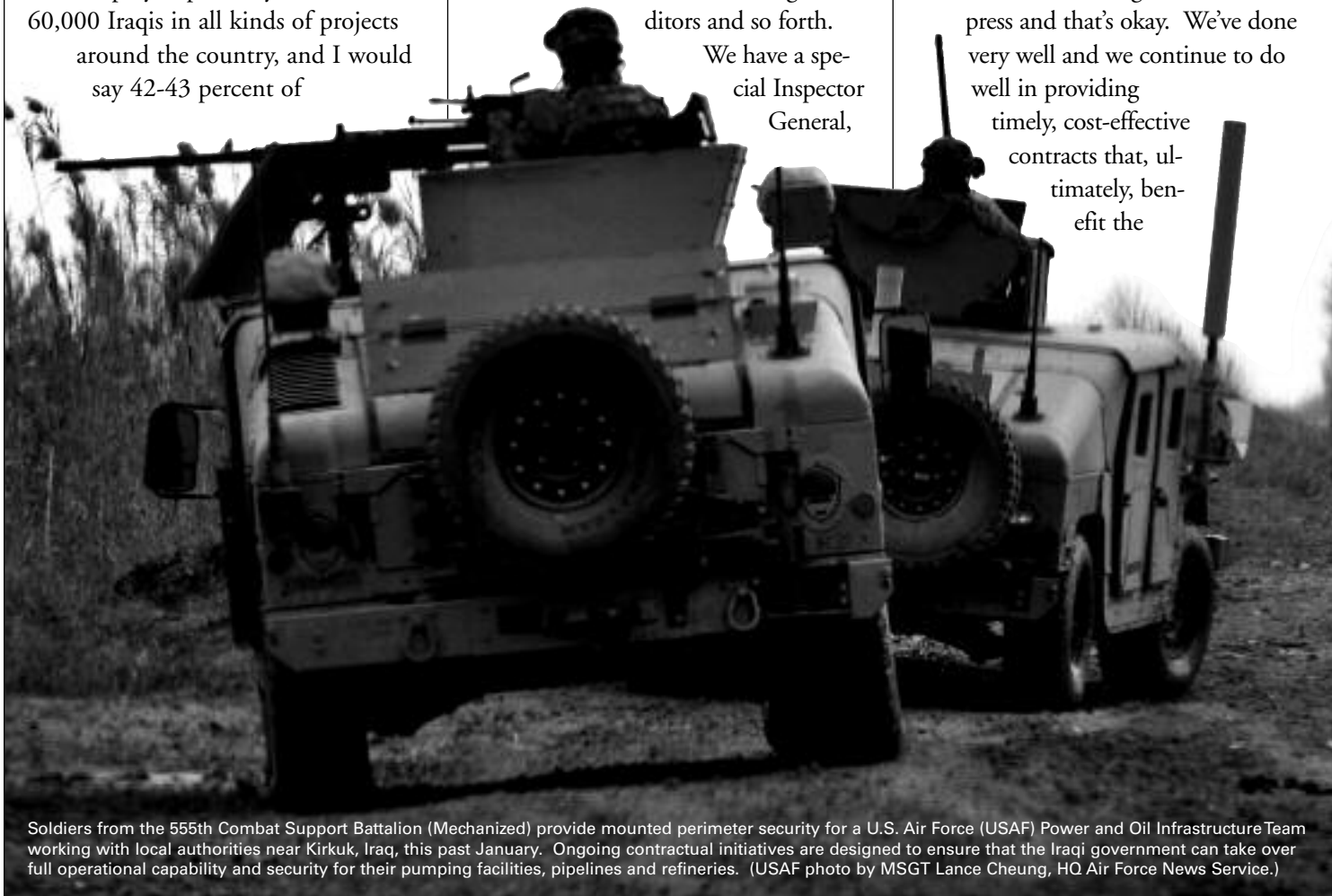
These folks are there to assist the ambassador and GEN George W. Casey Jr., CG, Multi-National Forces-Iraq, with the reconstruction and rebuilding of Iraq. They are working closely with the State Department, Iraqi ministers and local leaders there. To date, we have employed probably 50,000 to 60,000 Iraqis in all kinds of projects around the country, and I would say 42-43 percent of

all the contracts released have been to Iraqi businesses.

That's the history of it. We stood up a joint contracting command. We're doing very, very well. We have all sorts of folks who come in there to observe what we're doing — auditors and so forth.

We have a special Inspector General,

Stuart W. Bowen Jr., who heads up that activity. And, while you see critical comments, those critical comments are always with draft reports — never with final reports — and always referenced in a part where we were not involved directly — in the CPA's early days or months. So we don't get a whole lot of press and that's okay. We've done very well and we continue to do well in providing timely, cost-effective contracts that, ultimately, benefit the



Soldiers from the 555th Combat Support Battalion (Mechanized) provide mounted perimeter security for a U.S. Air Force (USAF) Power and Oil Infrastructure Team working with local authorities near Kirkuk, Iraq, this past January. Ongoing contractual initiatives are designed to ensure that the Iraqi government can take over full operational capability and security for their pumping facilities, pipelines and refineries. (USAF photo by MSGT Lance Cheung, HQ Air Force News Service.)

Iraqi government and our Soldiers and civilians in theater.

We are transforming almost every six months and there's a good reason for that. Iraq's infrastructure is growing and things are progressing. The end state will, hopefully, look like any other country we have an embassy in. The Corps of Engineers will come in and do work under the direction of the U.S. Embassy, CENTCOM and several Iraqi ministries. We already have military there working with the embassy. We're there because we have the capability as an Army to provide contracting expertise and the necessary security and infrastructure that you need to operate successfully in that fluid environment. We are a work in progress and will grow to an end state that, ultimately, will have us out of business. We've gone from where we have "onesies" and "twosies" of Army acquisition and contracting workforce working with the State Department and working with the Iraqi administration over there. The Corps of Engineers came in, and we're merging with the Corps. Eventually the Gulf Region will have total oversight and responsibility. This doesn't mean they won't use Army Acquisition Corps expertise in the future, but it will be completely under the Corps of Engineers' umbrella.

**AL&T:** Strategically and tactically, as military operations become more Joint and expeditionary, what challenges will the Army contracting community — uniformed and civilian — face as it moves toward more modular, compartmentalized organizations? How must Army contracting professionals be trained to better support Army and Joint contingency operations?

**Bolton:** One of the things that we did early on, even before we started the

modular organizational transformation, we took the contingency contracting role and responsibilities out of the U.S. Army Contracting Agency and we moved that requirement to the U.S. Army Materiel Command [AMC], specifically to MG Jerome Johnson's organization, the newly designated U.S. Army Sustainment Command, out at Rock Island, IL, because we only want one person as a face to the warfighter in theater. AMC CG GEN Benjamin S. Griffin and I rely on MG Johnson to do that for the acquisition, logistics and technology communities. We also wanted to make sure he had the wherewithal to do just that. We put contracting teams together and put them in various places where they can be called on by MG Johnson and integrated into the various modular formations. CCOs and noncommissioned officers are with units and they are part of the modular force. They will be trained with their assigned units out at the National Training Center. When it's time to go forth, they will be ready to go forth. Additional teams that are with MG Johnson are available for deployment as the theater needs them.

We are relying on the U.S. Army Training and Doctrine Command and AMC for the Soldier-type tactics, techniques and procedures they need to learn to perform. On the contracting and technical side, we rely on the Defense Acquisition University [DAU] because that's where everybody goes to be trained and educated in this business. We are going to work closely with DAU President Frank J. Anderson Jr. because we believe that we need more training in this contingency contracting area. There needs to be more

courses and classes. Most contingency contractors work in unique environments. Initially it's an unstructured environment. They work with ministers of other countries. The eyes of the world are on them. CCOs work under the same oversight rules that are normally used back in the United States where the Army's entire contracting infrastructure is in place.

Because of the pace of operations there, we sent a lot of our Army contracting folks over without all of the education and training I would have liked them to have. They did great because we have good people. We also relied on the other services, especially the Air Force and Navy, to supplement what we were doing in theater. We relied on their expertise to bolster those activities or areas where we might have been lacking. We want to ensure that everyone's up to the right level. Education and training for the contracting workforce and the commanders is very important. In May, June and July 2003, and even up into the fall, I heard "Contracting's a problem for reconstruction," and so I asked for some specifics. And the specifics were always something not dealing with the actual writing of contracts. In the early days of operations, there was a lack of understanding of how to correctly write the requirements to give to a contracting officer. It wasn't because



Soldiers from Charlie Co, 1st Battalion, 2nd Brigade Combat Team, 3rd Infantry Division, conduct a search and seizure mission of a building in Baghdad, Iraq. (U.S. Army photo by SPC Ben Brody.)

we had people who were bad at what they were doing — we realized this was something they hadn't been trained to do. From that point forward, we simply instructed our contracting officers to help their customers write the requirements. Commanders need to understand their role in all of this and realize that contingency contracting is a team effort.

**AL&T:** Contracting activities in Afghanistan and Iraq have helped to stabilize regions and promote the local economies in both countries. In Afghanistan and Iraq, an increasing percentage of contracts are being awarded to Afghan and Iraqi vendors. Tell us how U.S. Army contracting efforts are directly helping rebuild economic stability and foster economic growth for this beleaguered region.

**Bolton:** A lot of our efforts lately have focused on Iraq, and that's because we took care of business in Afghanistan within the first year or so in terms of road, school and infrastructure reconstruction initiatives. That effort continues, but a lot of that responsibility is now in the hands of Afghans.

In Iraq, because of the insurgency, it's been a longer effort. As I said earlier, 40-plus percent of the contracts are with the Iraqis, and more than 50,000 Iraqis have been employed. Take the health clinics for example. Our original intent was to design a building, build it and hand it over. A contractor from outside of Iraq was doing the actual construction. That wasn't working the way we wanted it to, so we took the contract and decentralized it and gave it to the Iraqis for completion. We did have some outside contractors still working on certain projects to ensure that the work got done to standard where specific technical requirements had to be met.

The military commanders in charge of the various areas have been given money with support from my organization and support from the State Department to work on local projects. The commanders could decide how to help the villages within their area — they could

help with water projects, sewer projects or electricity hookups. These were projects that local populations were working on themselves that were in high demand and that put folks to work. Best of all, it was theirs. There

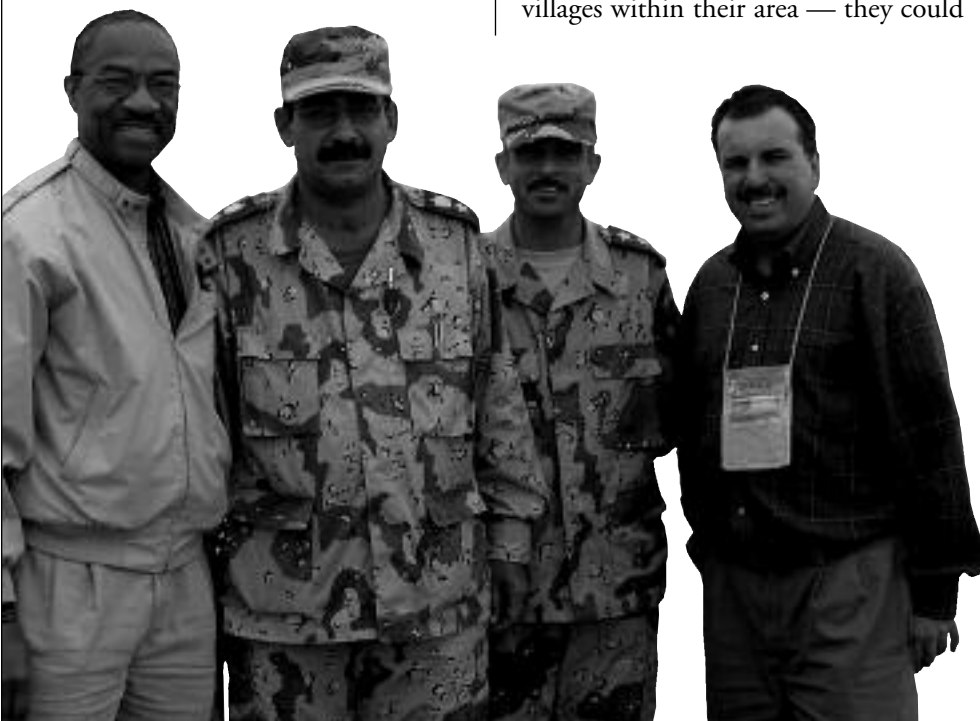
is a greater sense of ownership and tendency to keep things maintained and secure when it's your project to begin with, so the Iraqis took intense pride in the jobs they were doing for their own communities.

We also helped local Iraqi companies set up the infrastructure to pay their workers or buy parts and to teach the local workers how to maintain these new electric lines or water facilities. Putting that all together provided much-needed "capacity." It was

That's where the monies have been focused — to build capacity. Now our contractors have a certain number of days after they're finished — 90 to 180 days — in which they will train local people and show them how to run or maintain things.

really the Army who identified that concept well over a year ago, and now capacity has become a buzzword. Specifically, one of the young ladies in our PCO workshop here raised that as something that needed to be done. So that's where the monies have been focused — to build capacity. Now our contractors have a certain number of days after they're finished — 90 to 180 days — in which they will train local people and show them how to run or maintain things. Then we can have a turnkey project with people who know how to maintain their own facilities. From that aspect, we've done a good job with the resources we've been given to get as much of the Iraqi population involved in the construction and protection of their country's infrastructure.

**AL&T:** The Army has taken the lead in providing instructions for contractors





on the battlefield by developing the *Contractors Accompanying the Force Guidebook*. Likewise, *Contractors on the Battlefield, Field Manual 3-100.21*, is helping to better define roles, rules, responsibilities and reporting requirements. How have these fundamental policy changes and operating procedures improved battlefield responsiveness in terms of providing critical contracted logistics and maintenance support, and the procurement and delivery of essential troop supplies, products and services to combatant commanders and their Soldiers?

**Bolton:** With regard to our forces in Southwest Asia, the biggest contract over there is LOGCAP. LOGCAP is purposely for contingency operations like this. We do it in advance because we're not sure where we're going to send contractors and we're not sure how extensive an operation is going to be. It's in place and we can add or subtract resources as the mission requirements dictate. LOGCAP has been extremely responsive in Afghanistan, Iraq and Kuwait. When you talk to Soldiers and their commanders, the feedback has been so positive that we've already extended this program to our coalition partners — and we hear no complaints. Of course you occasionally see things in the press, but quite frankly, I consider those to be the 1- or 2-percent hiccups when an operation as complex as this expands

in scope and duration. In terms of being responsive to warfighters, LOGCAP continues to be extremely responsive. Don't take my word for it — ask our warfighters because that's what they're telling me. The new rules and regulations that we've set up, to include some of the more current policies, are really a compilation of things the workforce has previously executed. The advantage now is that everything is in one place and has been compiled into one guide. It's a very important resource for our contractors as well, because they know what we expect from them and what they can expect from us in this operational environment. So I think the guidebook has made it much clearer for everyone. As we learn more, we'll

make additional changes to both the guidebook and field manual.

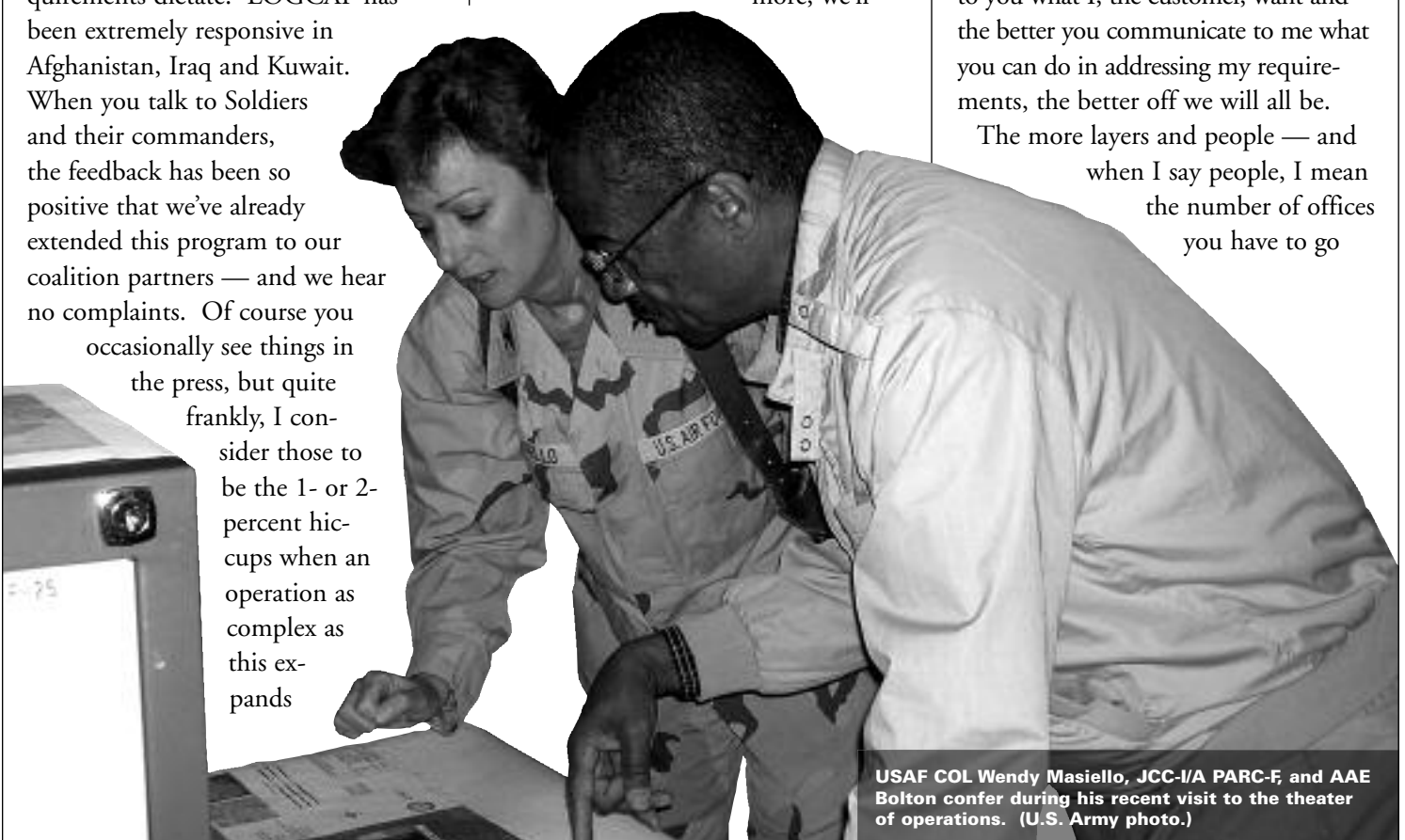
**AL&T:** How has Alpha contracting helped to accelerate and streamline contractual processes at home and abroad? What are some of the key lessons learned and the new "best business" practices that our readership should be aware of so these attributes can be incorporated into their own contract management practices?

Alpha contracting brings everyone and everything to the table at the same time. In a perfect world, we bring all the right folks into one room and tell the government contractor, "Here's what we want."

**Bolton:** When it comes to a contract — it is a piece of paper. It's an agreement. Some folks in the commercial world do business with

only a handshake. A contract is an agreement between two parties. We sign that piece of paper and we're off and running. The better I can communicate to you what I, the customer, want and the better you communicate to me what you can do in addressing my requirements, the better off we will all be.

The more layers and people — and when I say people, I mean the number of offices you have to go



USAF COL Wendy Masiello, JCC-I/A PARC-F and AAE Bolton confer during his recent visit to the theater of operations. (U.S. Army photo.)

through — actually impedes direct communication with the end user. Alpha contracting brings everyone and everything to the table at the same time. In a perfect world, we bring all the right folks into one room and tell the government contractor, “Here’s what we want. Okay, let’s talk terms and conditions and let’s talk about how much it will cost. Okay, got it.” We all walk out with the same time schedule, requirements base and expectations. The traditional way is, I’ll sit and write and we’ll give it to you and you’ll send something back. The paperwork goes back and forth and there are a lot of iterations. Alpha contracting streamlines this process by reducing the number of iterations we have because negotiation is handled up front. We come up with a better product in terms of the contract because people better understand the contract process and the end state because of better communication of what is required, what can be delivered and when. Alpha contracting is not new, but we are certainly expanding the reach and frequency of the process. With rare exception, when it’s used it works very well.

There is nothing that we do in the Army that we don’t do without an Army contract team. When you stop to think about it, there’s a contract for virtually everything. Even the organic things that we do, look at them closely and you’ll find a contract at the very center.

**AL&T:** The Life Cycle Management Commands (LCMCs) and PEOs are implementing accelerated and streamlined contracting processes and vehicles to better serve their various customer bases. What special procurement authorities, if any, do the LCMCs and PEOs work under given the specific nature of their business?

**Bolton:** As a result of having LCMCs, we’re able to use policies, rules, regulations and laws that have been on the books for some time. Before, this part of the community was using this rule and another part of the community was using another rule and some weren’t using the policies at all. Now we have a construct where we’re doing the full life cycle where the focus

is, “How do I provide warfighters with

a critical capability and be more responsive to them?” That’s the endpoint.

Given that, what do we all need to do to make that happen? First, we eliminated the stovepipes. Now we all work together to get capabilities to the warfighter faster by sharing resources, information and lessons learned. If you go back to 1994 and look at legislation to streamline acquisition, the *Federal Acquisition Streamlining Act of 1994* and the *Federal Acquisition Reform Act of 1996* instituted landmark reform that still guides us today. Former Deputy Under Secretary of Defense for Acquisition Reform Colleen Preston worked on these two pieces of legislation that became law within an 18-month period. This legislation basically streamlined acquisition and really pinpointed the sound business practices we must employ, and contracting was a part of that.

Perhaps people do not understand the role of contracting personnel and contracting officers. People think they sit in cushy, air-conditioned offices. I’ve found that not true in reality. I don’t

know of any contracting shop that’s not been touched by this war.

Folks are working really, really hard. I’ve talked about the ac-

tions of contracts and projects that we’ve had for Iraqi reconstruction —



Shown clockwise from left back row: Dean G. Popps, Deputy Assistant to the ASAALT; BG William H. McCoy, Former USACE GRD Commander; Hugh Exton, Regional Director, Southwest Region Office Installation Management Agency; Kathy Johnson, PCO Iraq; AAE/ASAALT Claude M. Bolton Jr.; Karen Durham-Aguilera, USACE, GRD. (U.S. Army photo.)

3,000 to start with and more than 2,500 completed. We're talking thousands of contracting actions.

I think just last year we had more than 12,000 contracting actions with several billion dollars being obligated. That was just last year, with a small fraction of the contracting workforce on location. Our reach-back capability and the dedicated contracting professionals who are stateside are working long hours throughout the weeknights and weekends to make these additional contracts happen, above and beyond their normal workload.

The war effort is important. It's our number one priority. But there's an entire Army out there not directly involved in *Operations Enduring* and *Iraqi Freedom* that still requires contracting support. There is nothing that we do in the Army that we don't do without an Army contract team. When you stop to think about it, there's a contract for virtually everything. Even the organic things that we do, look at them closely and you'll find a contract at the very center. So, it's important to have contracting officers for the work that we do. There would be no new weapon systems or support for those weapon systems, at least initially, without a contract. Think about it — Future Combat Systems, contract; modernization of Army aviation, contract; Stryker, contract; Stryker vehicle support, contract; LOGCAP, contract; electrical power on base, contract; fuel, contract; uniforms, contract. We don't think about it very much, but there's a contract for everything, thanks to our

There would be no new weapon systems or support for those weapon systems, at least initially, without a contract. We don't think about it very much, but there's a contract for everything, thanks to our dedicated contracting officers and their teams of contract specialists.

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Some of our contracting people — a large percent of whom are civilian — are in harm's way. They're in Iraq. They're working on reconstruction. The best example of the commitment that our contracting officers make is to recount an important event. On Jan. 29, 2005, on the eve of Iraq's second election, there was a rocket attack into the Green Zone that hit the building where our contracting personnel work. Two of our contracting officers were killed in that assault. One was Navy LCDR Keith E. Taylor, who left behind a wife and children. The other was Barbara Heald. Our civilians rotate about every six months, and Barbara was on her third tour of Iraq. She had been with the Air Force, then worked for a non-DOD government agency and retired in the 1990s. She came back to us because she wanted to make a difference. In the December time frame, she was here for the holiday party and then she went back to Iraq. Six weeks later she was killed.

There was a letter written by her brother, John L. Geis, to the President of the United States. It starts off, "Dear Mr. President: Approximately ten hours ago, a U.S. Army major left my home after telling me that my sister, Barbara Heald, was one of the two Americans killed in the rocket attack on the U.S. Embassy in Baghdad. ...

"In my family's anguish, I am writing to ask you, to beg you, to not flag for one moment in your efforts to bring

democracy to Iraq and have it take root. We must not fail — both for my sister's legacy and because it is right. I do not know what more you or the country can do than we already are, but I am writing to add to your resolve."

The third and fourth paragraphs were lighthearted and talked about Barbara and what she was doing in Iraq. The last lines of the letter read, "Mr. President, it is said that liberty is paid for in blood. Today, liberty got a lot more expensive for those who knew and loved my sister Barb."

We've had rocket attacks in Iraq where, fortunately, our contracting folks have not been hurt, but they face the same peril as everybody else. And these are volunteers who continue to go back to support our troops. That's what being an Army contract person means. Our courageous men and women — military and civilian — are doing a tough, often thankless, job as best as they can. We thank them for their professionalism, selfless service and dedication.

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